

## Message Text

LIMITED OFFICIAL USE

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ORIGIN TRSE-00

INFO OCT-01 ARA-10 ISO-00 L-03 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 EB-07 INR-07 NSAE-00 EPG-02  
FAA-00 /032 R

TX-387

DRAFTED BY TRSY/OS/MFIELD/IMW  
APPROVED BY STATE/ L/T A.W. ROVINE  
TRSY/OS/DFOSTER  
ARA/AND/TWSONANDRES (SUBS)  
-----012604 302357Z /75  
R 301830Z JUN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY CARACAS

LIMITED OFFICIAL USE STATE 152616

E.O. 11652: NA TAGS: EFIN

SUBJECT: PROPOSED RECIPROCAL EXEMPTION OF INTERNATIONAL

AIRLINES

REFS: A. CARACAS 5796; B. STATE 110987

1. DRAFT NOTE TRANSMITTED REFTEL A SAME AS DRAFT REFERRED  
TO REFTEL B. WE HAVE NO PROBLEMS OF SUBSTANCE WITH  
PARAGRAPHS 4, 5, OR 6, BUT DO HAVE PROBLEMS WITH  
PARAGRAPHS 1, 2, AND 3. U.S. AUTHORITY TO EXEMPT FOREIGN  
AIRLINES IS SPECIFIED IN THE LAW AND STATUTORY CONDITIONS  
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MUST BE ADHERED TO.

2. FOR EXAMPLE, U.S. LAW REQUIRES THAT THE OTHER COUNTRY  
EXEMPT U.S. CITIZENS AND CORPORATIONS, SO WE COULD NOT  
ENTER INTO AN AGREEMENT EXEMPTING ONLY SPECIFIED COMPANIES  
EVEN IF WE SPECIFIED ALL U.S. COMPANIES CURRENTLY OPERATING  
IN VENEZUELA.

3. U.S. LAW ALSO LIMITS THE EXEMPTION TO PLANES REGISTERED

IN VENEZUELA. THIS MAY NOT BE A PROBLEM TO VENEZUELA BUT  
WOULD HAVE TO BE STATED.

4. WE WOULD PREFER TO DELETE THE REFERENCES TO EXAMINING  
THE BOOKS AND FINDING FINANCIAL EQUIVALENCE BETWEEN U.S.  
COMPANIES OPERATING IN VENEZUELA AND VENEZUELAN COMPANIES

OPERATING IN THE UNITED STATES. THE U.S. APPROACH DOES NOT  
REQUIRE THIS. WE ARE PREPARED TO CONCEDE THE RIGHT TO TAX  
TO THE COUNTRY OF RESIDENCE OF THE OPERATOR ON THE BASIS  
OF RECIPROCITY. IF THIS IS IMPORTANT TO VENEZUELA,  
PERHAPS THEY COULD MAKE UNILATERAL REFERENCE IN THE OPENING  
OF THEIR REPLY NOTE.

5. WE WOULD LIKE TO DELETE PARAGRAPH 2.

6. WE CAN ACCEPT PRINCIPLE OF CONSULTATION IN PARAGRAPH 3  
OF VENEZUELAN DRAFT BUT WOULD WANT TO MAKE SOME DRAFTING  
CHANGES. USG COULD NOT FURNISH TAX RETURN INFORMATION.

7. WE HOPE GOV WILL BE ABLE TO MODIFY ITS TEXT TO  
ACCOMMODATE U.S. NEEDS AS OUTLINED ABOVE. IF THEY CAN  
AGREE IN PRINCIPLE WE WILL PREPARE A REVISE DRAFT COMBINING  
THE TWO PRIOR DRAFTS. VANCE  
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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENT DRAFT, DOUBLE TAXATION, AIRLINES, AVIATION AGREEMENTS, TAX RELIEF  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 30-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE152616  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** OS/MFIELD/IMW  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770234-0737  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t1977062/aaaaabgr.tel  
**Line Count:** 92  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 2b440477-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 CARACAS 5796, 77 STATE 110987  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 30-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2035882  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROPOSED RECIPROCAL EXEMPTION OF INTERNATIONAL AIRLINES  
**TAGS:** EAIR, EFIN, VE, US  
**To:** CARACAS  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/2b440477-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009